

Boards and Commissions

Joint Appropriations Subcommittee on
Natural and Economic Resources

March 24, 2011



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Commerce Boards & Commissions

- Alcoholic Beverage Control (ABC) Commission
- Banking Commission
- Cemetery Commission
- Credit Union Division
- Employment Security Commission
- Industrial Commission
- Lottery Commission
- Ports Authority
- Rural Electrification Authority (REA)
- Utilities Commission & Public Staff

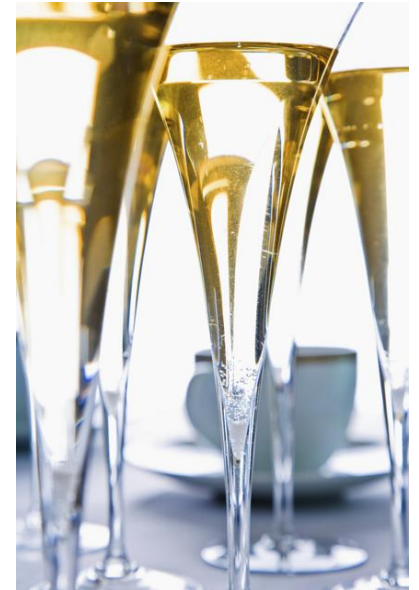
ABC Commission & Warehouse

ABC Commission – 48 FTE

- Provides regulation and control of the manufacture, distribution, advertisement, sale, possession, and consumption of liquor, wine, and malt beverages
- Administers the ABC laws
- Sets the price of beverages sold in local ABC stores
- Issues ABC permits

ABC Warehouse – 0 FTE

- Provides a central warehouse for the storage, distribution, and monitoring of all liquors sold by the ABC boards
- Contracted out



ABC General Information

8 Directors
1 Asst. Director
9 Supervisors
3 Admin Staff
27 Other Employees

**11 Motor Fleet
Management
Vehicles**

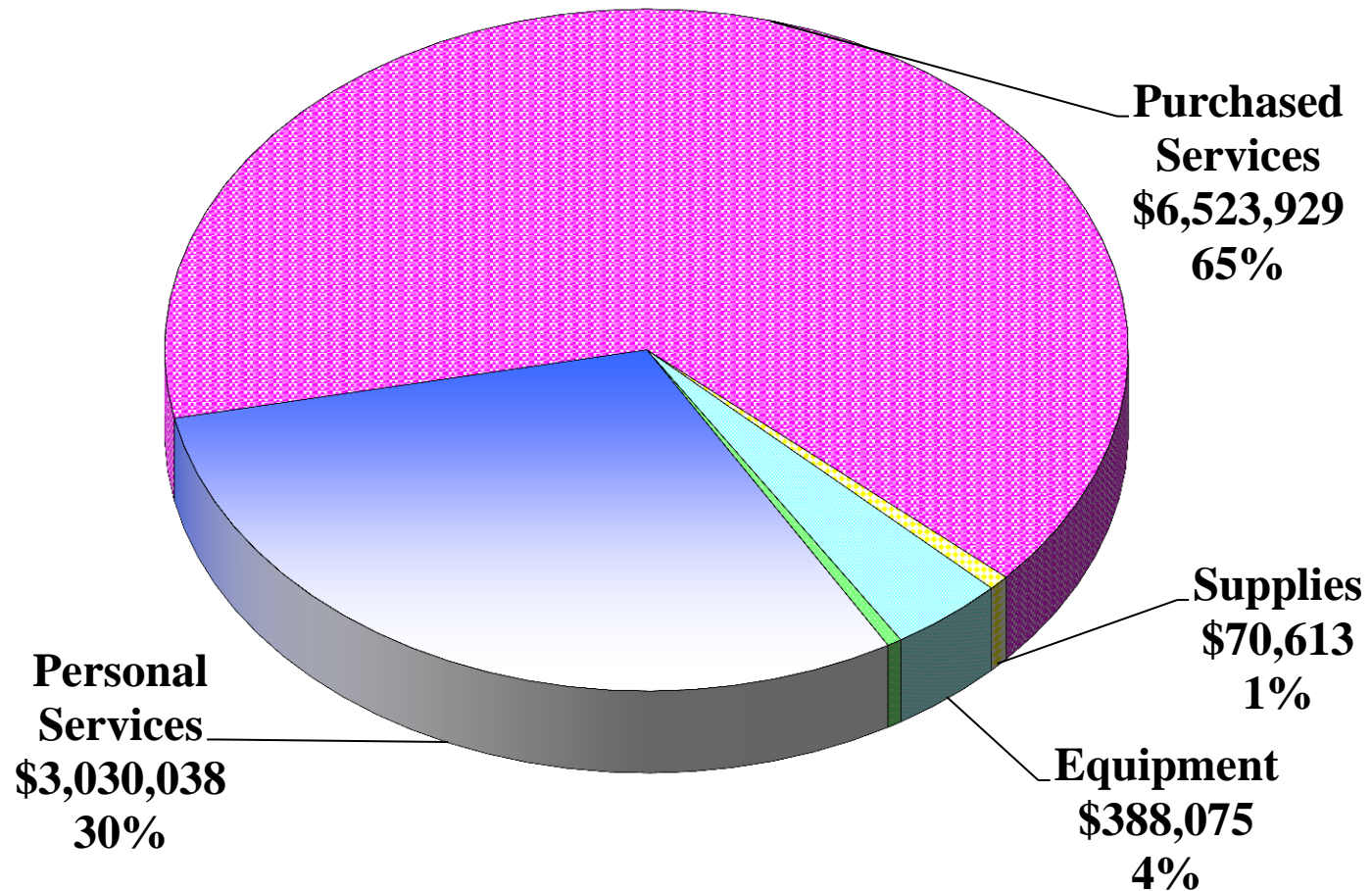
13 Cell Phones

**Monthly Cost:
\$1018**

**Continuation Budget:
\$9,758,735**

ABC Budget

FY 2011-12



ABC Fees

- ABC Commission
 - Receipts come from surcharge on bailment (\$0.80/case)
- ABC Warehouse
 - Receipts come from bailment (\$1/case)
- Permit fees go to General Fund
 - Original purpose was to support Alcohol Law Enforcement (ALE)

ABC Budget Actions

- FY 2009-10
 - Cash balances transferred to General Fund
 - \$7.5 million
 - Restriction that no more than 20% of operating can be retained in Special Fund
- FY 2011-12 Governor recommends
 - no actions
- Current cash balances:
 - Commission: \$1.1 million
 - Warehouse: ~\$350k

ABC Revenue Distribution



General Fund \$210,253,481
County - City Distributions \$45,832,909
Commission & Warehouse \$8,920,025
Local Alcohol Education \$8,975,266
Local Law Enforcement \$6,803,274
Counties - Rehabilitation \$2,419,641
Health & Human Services \$1,305,851

Banking Commission

- Charters and supervises banks
- Licenses or registers a variety of consumer industries
- Licenses mortgage lenders, brokers, and their loan officers
- Enforces regulatory compliance of all supervised financial services companies



Banking General Information

4 Directors
1 Asst. Director
16 Supervisors
10 Admin Staff
81 Other Employees



0 Vehicles

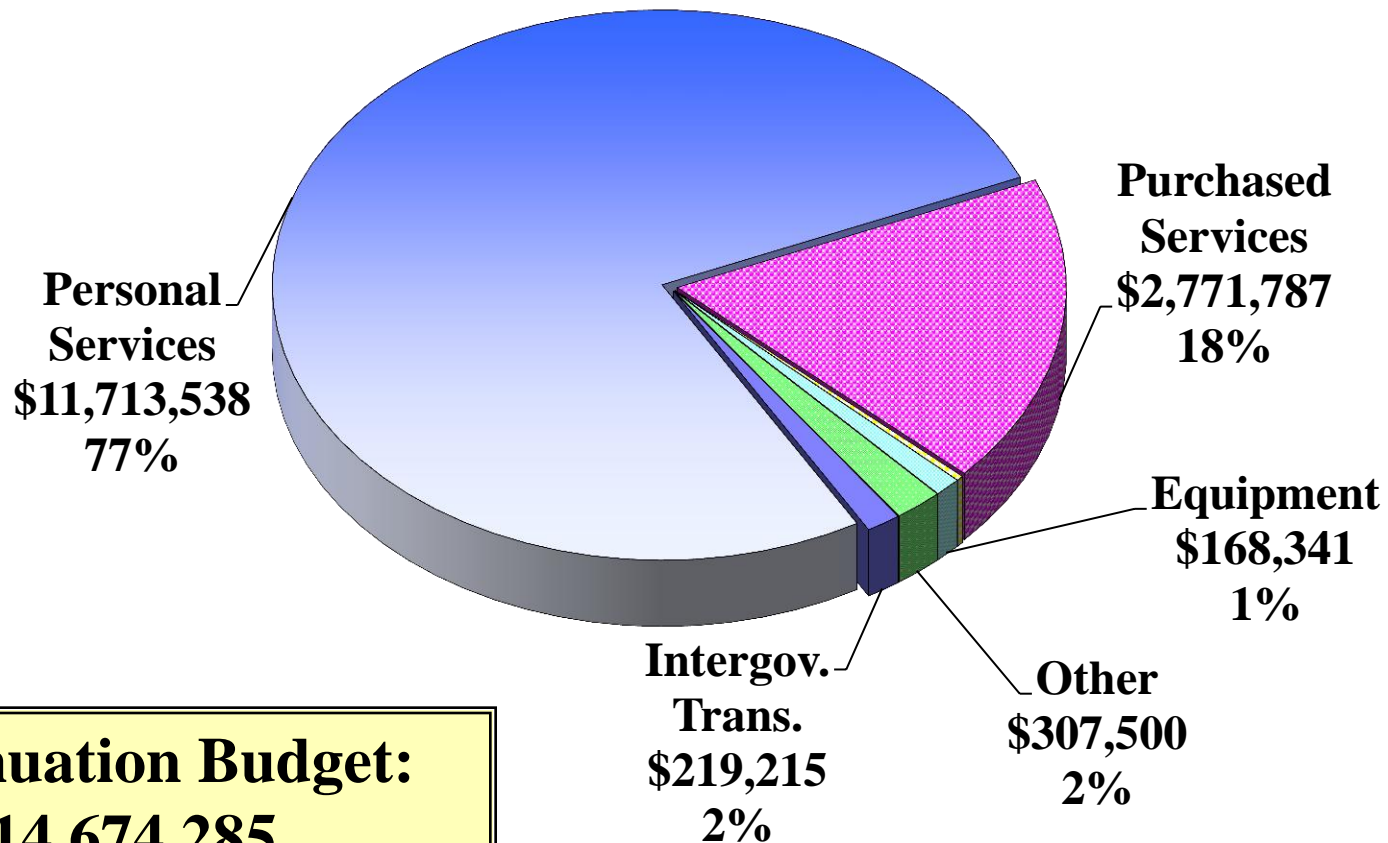
Reimburse at IRS rate

1 Cell Phone

**Monthly Cost: \$40 +
reimburse employees
\$25/month = \$1500**

Banking Commission Budget

FY 2011-12



Continuation Budget:
\$14,674,285

Banking Commission Fees

Fees

- Paid by banks chartered and supervised by the Commission
 - Sliding scale fee based on bank assets
- License Fees
 - Check Cashing Companies, Mortgage Companies, Trust Companies, etc
- Other miscellaneous, small fees

Banking Budget Actions

- FY 2009-10:
 - Cash balance transferred: \$2.8 million
 - Required to report to Gov Ops before changing fees
- FY 2011-12 Governor recommends
 - no actions
- Current cash balance:
 - \$4.4 million

Cemetery Commission

- Regulate and supervise the activities of cemetery companies
- Examine all 176 licensed cemeteries in NC.
- Issue annual cemetery licenses

FY 2011-12 Budget:

\$256,079

3 FTE

1 vehicle



Cemetery Budget Actions

- FY 2009-10:
 - Cash balance transferred: \$259k
- FY 2011-12 Governor recommends
 - no actions
- Current cash balance:
 - \$39,279

Credit Union Division

Purpose: *To advocate for and assist in the formation of State chartered credit unions, and ensure their safety and soundness.*

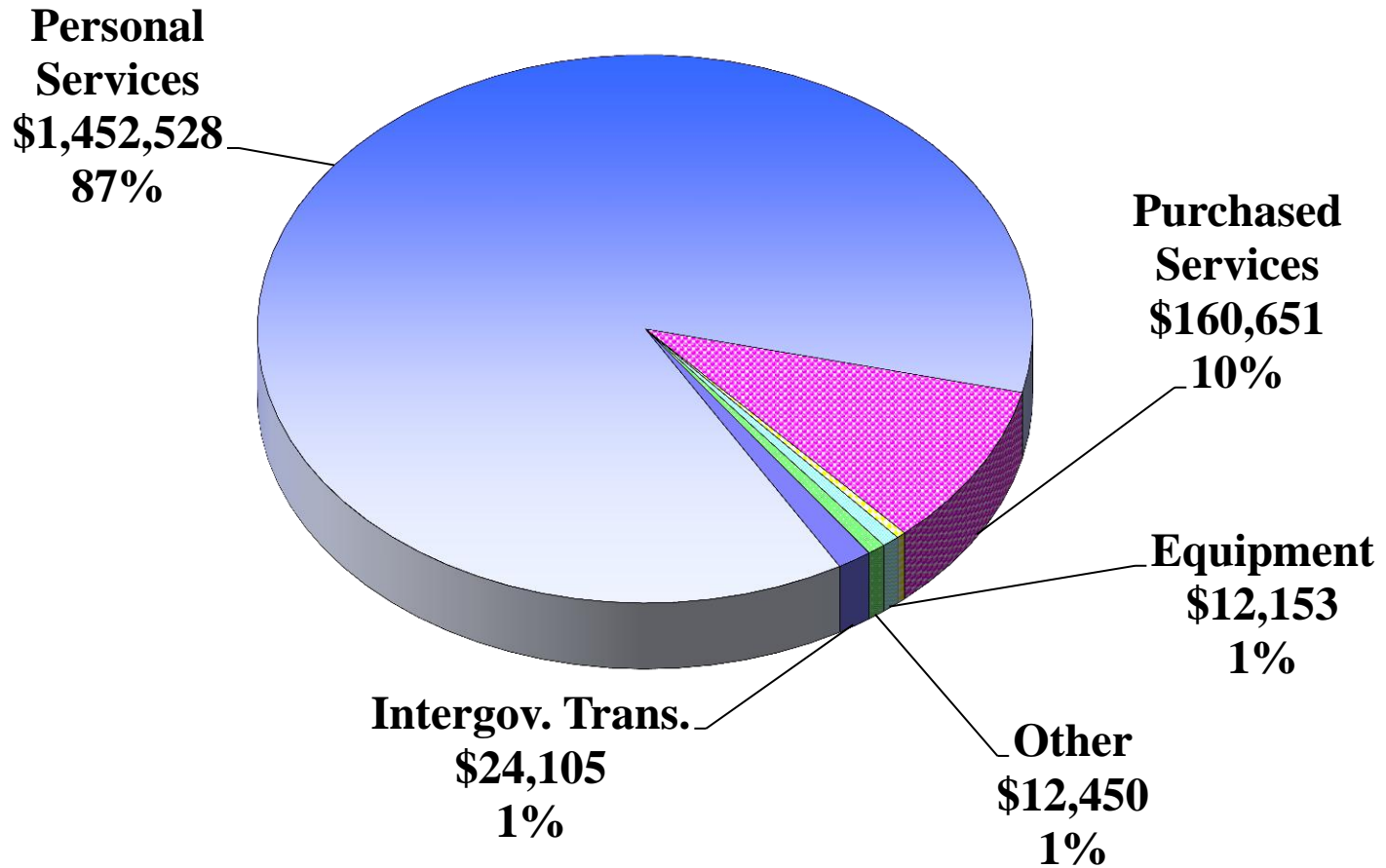
1 Director
2 Asst. Directors
1 Supervisor
2 Admin Staff
5 Other Employees

0 Vehicles

1 Cell Phone

Monthly Cost: \$75

Credit Union Budget



Credit Union Budget Actions

- FY 2009-10:
 - Cash balance transferred: \$760k
- FY 2011-12 Governor recommends
 - no actions
- Current cash balance:
 - \$480,875

Industrial Commission

Administers:

- Worker's Compensation Act
- Tort Claims Act
- Various Death Benefit Acts
- Childhood Vaccination Injury Compensation Program
- Compensation to Persons Erroneously Convicted of Felonies



7 Commissioners

Industrial Commission

General Information

FY 2011-12 Budget

Receipts: **\$6,857,123**

General Fund: **\$5,234,303**

Total: **\$12,091,426**

12 MFM vehicles

21 cell phones

\$1,074/month

150 FTE

12 Directors

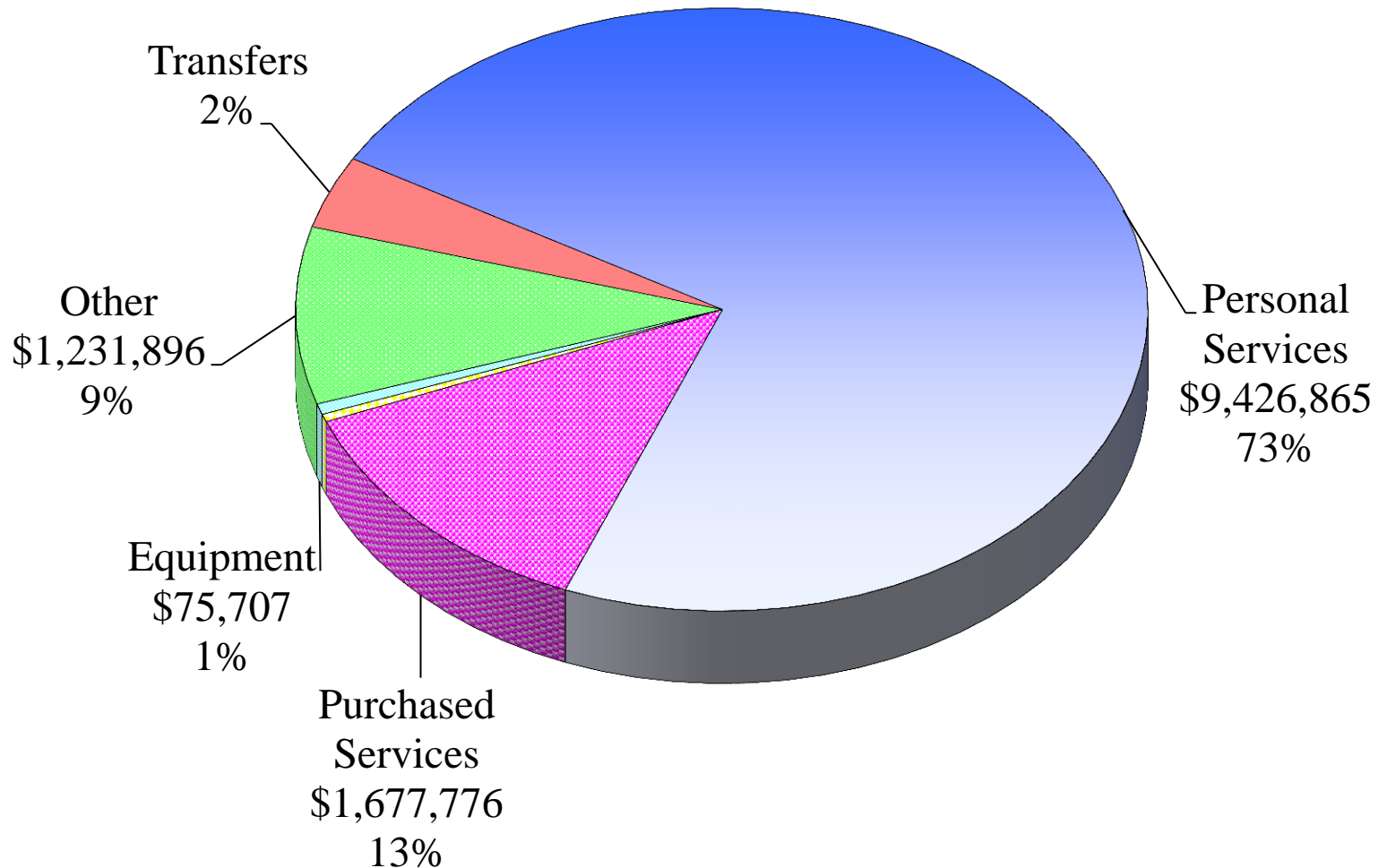
9 Admin Staff

129 Employees

Industrial Commission IT Project

- Replacement of mainframe data system and electronic document system
- 5-year project; complete in 2014
- Cost: \$9.8 million paid for with receipts
- Special Fund Balance: \$4.2 million

Industrial Commission Budget



Industrial Commission

Budget Actions

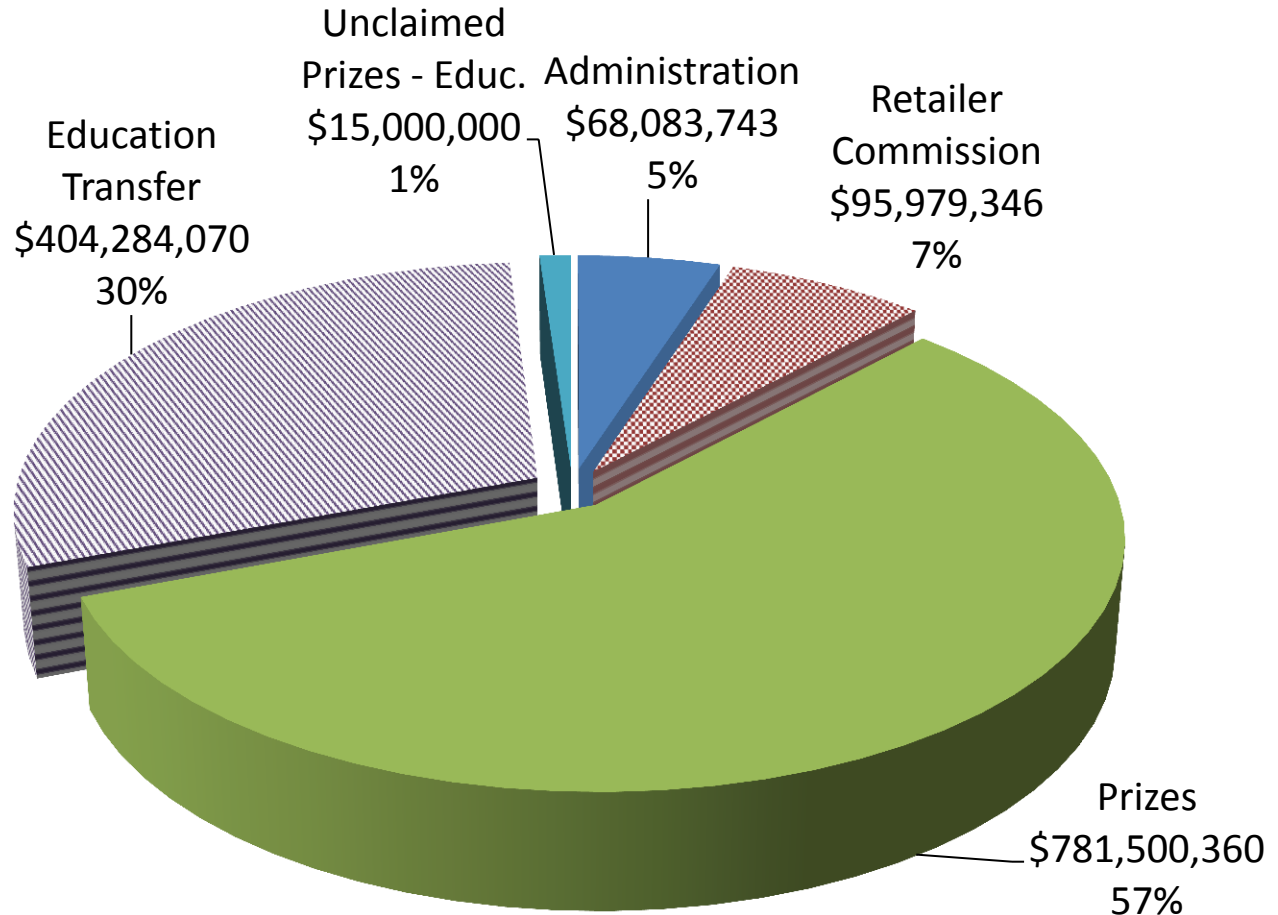
- FY 2009-10:
 - 5 Positions fund shifted to receipts - \$371k
- FY 2010-11:
 - Budget over-realized receipts: \$430k
- FY 2011-12 Governor recommends:
 - Budget over-realized receipts: \$736,861

Lottery Commission

- Revenue generated by sale of three types of lottery games:
 - Jackpot Games
 - Instant Tickets
 - Raffles
- Overseen by nine-member Commission



Lottery Budget FY 2009-10



Total Budget: \$1,364,847,519

Lottery Administration Costs

- **Limited to 8% of sales – currently ~4.9%**
- **\$71.4 million 2011-12 budget**
 - \$23.3M GTEC contract
 - 1.599% of sales
 - \$13.4M advertising
 - Maximum 1% of sales
 - \$2.5M marketing
 - \$17.7M personnel
 - \$13.2M supplies, equipment, etc
 - \$1M transfer to DHHS

Lottery Personnel

<u>Division</u>	<u>FTE</u>
Executive	5
Finance /Administration/Security	62
Marketing/Advertising/Comm.	27
Sales	108
MIS/Gaming Systems	30
Audit	3
Human Resources	8
Legal	2
Total	245

1 Director
7 Assistant Directors
33 Supervisors
36 Admin
168 Other Employees

- Raleigh Office + 5 Regional Offices
- 80 vehicles
- 51 cell phones + reimburse sales staff \$75/month

Ports Authority

Two Ports

- Morehead City
- Wilmington

Two Inland Terminals

- Charlotte
- Greensboro

Governed by 11
member board



Ports Authority General Info

FY 2009-10 Budget:

Expenditures: \$35,403,928

Receipts: \$33,317,692

Budget is separate from State budget - no
continuation budget documents

1 Director

8 Asst. Directors

47 Supervisors

38 Admin Staff

149 Other Employees

19 MFM vehicles

71 Ports-owned

101 Cell Phones

\$4,633 monthly

Ports Authority Budget Actions

- Historically, only State General Fund funding has been for capital projects
- FY 2011-12 Governor recommends
 - Moving Ports to a new Logistics Division within Department of Transportation

Rural Electrification Authority

Purpose: *To secure and continue adequate and dependable electric and telephone services to customers in predominately rural areas.*

- Investigate complaints
- Act as an agent for any membership corporation in securing federal loans or grants

**FY 2011-12 Budget:
\$197,689**

2 FTE



Rural Electrification Budget Actions

- FY 2009-10:
 - Cash balance transferred: \$210k
- FY 2011-12 Governor recommends
 - no actions
- Current cash balance:
 - \$0

Utilities Commission

Utilities Commission – 58 FTE

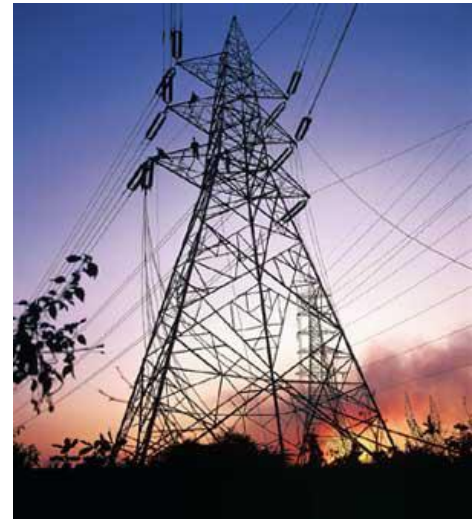
- Administers the Public Utilities Act
- Regulates the rates and quality of service of public utilities operating in the State
- Promotes and ensures the availability of adequate, reliable, and economical public utility services

Utilities Commission Public Staff – 89 FTE

- Represents the public before the Utilities Commission in matters affecting the rates and services of regulated public utilities

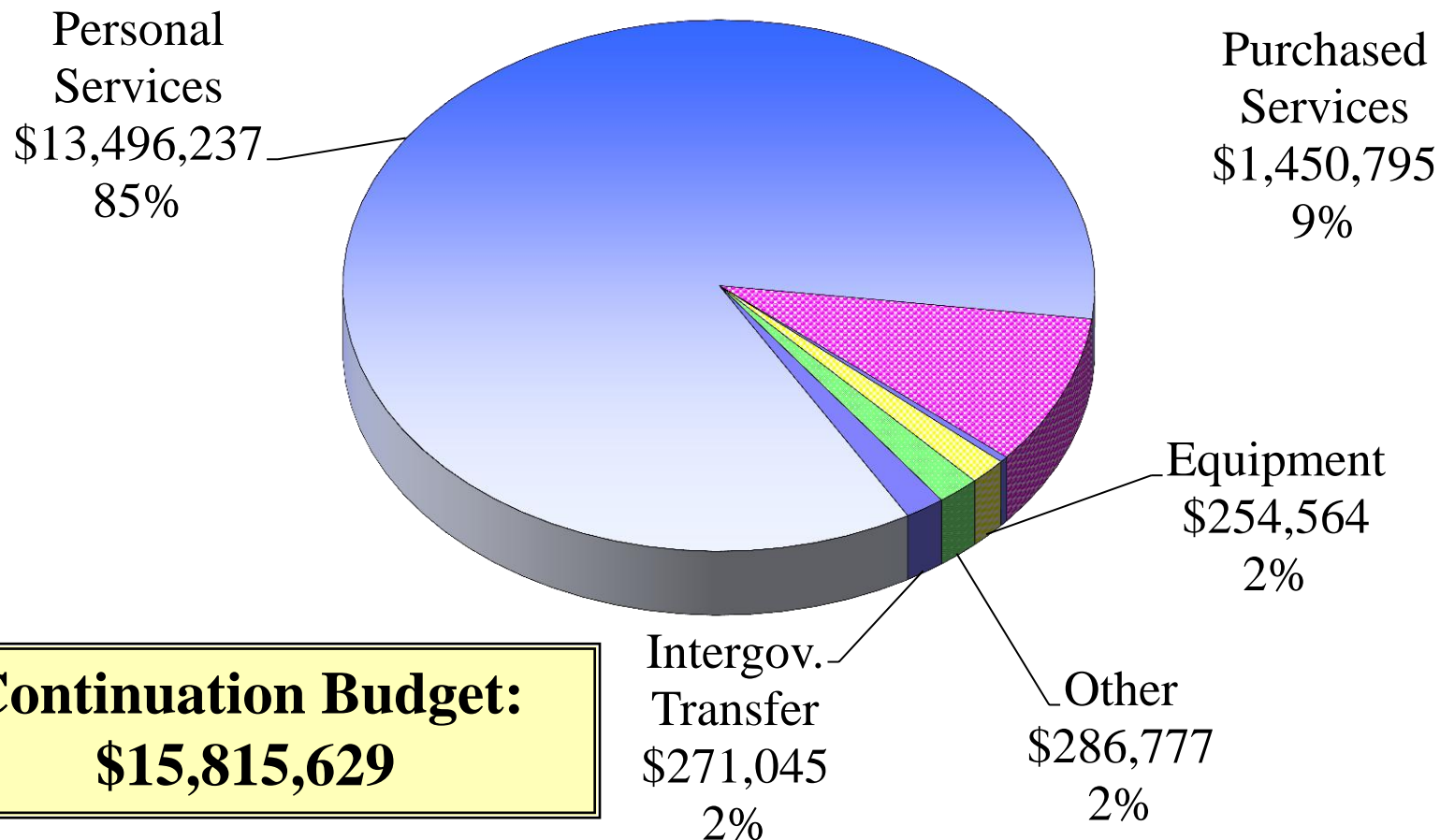
Utilities Commission Gas Pipelines – 6 FTE

- Ensures the safety of natural gas distribution



Utilities Commission Budget

FY 2011-12



Utilities Commission Fees

- Assessment on public utilities' revenues in the State
 - 0.12%
 - \$200,000 for Electric Membership Cooperatives
 - Has not changed since 1997
- Set by special provision each year

Utilities Commission Budget Actions

- FY 2009-10:
 - Cash balance transferred: \$12 million
- FY 2011-12 Governor recommends
 - Setting assessment at 0.15%
- Current cash balance:
 - \$0